

## 60 C.J.S. Motor Vehicles § 288

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### **Motor Vehicles**

Joseph Bassano, J.D., John Bourdeau, J.D., James Buchwalter, J.D., Paul M. Coltoff, J.D., John J. Dvorske, J.D., Edward K. Esping, J.D., Michael N. Giuliano, J.D., John Glenn, J.D., Amy G. Gore, J.D., Jill Gustafson, J.D., Glenda K. Harnad, J.D., Janice Holben, J.D., John Kimpflen, J.D., Stephen Lease, J.D., William Lindsley, J.D., Anne E. Melley, J.D., Mary Babb Morris, J.D., Tom Muskus, J.D., Jeanne M. Naffky, J.D., Karl Oakes, J.D., Jeffrey J. Shampo, J.D., Eric C. Surette, J.D., Susan L. Thomas, J.D., Timothy E. Travers J.D.

### **IV. Licensing and Registration of Vehicles**

#### **D. Proceedings to Procure License, Registration, or Permit**

#### **F. Conditions Imposed**

## § 288. Security for public service vehicles

[Topic Summary](#) | [References](#) | [Correlation Table](#)

### **West's Key Number Digest**

West's Key Number Digest, Automobiles  89 to 91

**Under some statutes, the owner or operator of a public service motor vehicle for hire must file a bond, policy of liability insurance, or other security, for the benefit of persons injured or damaged by the negligent operation of such a vehicle, as a condition to being permitted to operate it in the conduct of business on the public streets or highways.**

Some statutes require that the owner or operator of a taxicab, motorbus, or other public service motor vehicle take out and file with a designated official or body a bond, policy of liability insurance, or other security for the benefit of persons injured or damaged in person or property by the negligent operation of such a vehicle as a condition precedent to being permitted to operate it in the conduct of business on the public streets or highways.<sup>1</sup> The primary purpose of requiring such a bond, insurance policy, or other security is the protection of the public.<sup>2</sup>

### ***Rental vehicles.***

A commercial automobile lessor cannot absolve itself of its duty to maintain the required levels of financial security.<sup>3</sup> However, the lessor generally is not obliged to provide primary coverage on its vehicles and can bargain, through the rental agreement, to reallocate primary responsibility for liability coverage on its vehicles to the lessee.<sup>4</sup>

***Government vehicles.***

The State and its political subdivisions are generally exempt from mandatory insurance or financial responsibility laws.<sup>5</sup>

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**Footnotes**

1 U.S.—Yellow Cab of Reno, Inc. v. Reno Cab Co., Inc., 254 Fed. Appx. 611 (9th Cir. 2007).  
Cal.—Elson v. Public Utilities Commission, 51 Cal. App. 3d 577, 124 Cal. Rptr. 305 (2d Dist. 1975).  
Ga.—Coleman v. B-H Transfer Co., 284 Ga. 624, 669 S.E.2d 141 (2008).  
N.C.—North Carolina Farm Bureau Mut. Ins. Co. v. Simpson, 198 N.C. App. 190, 678 S.E.2d 753 (2009), review denied, 363 N.C. 806, 691 S.E.2d 13 (2010).

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N.C.—North Carolina Farm Bureau Mut. Ins. Co. v. Simpson, 198 N.C. App. 190, 678 S.E.2d 753 (2009), review denied, 363 N.C. 806, 691 S.E.2d 13 (2010).

3 La.—Levy v. Enterprise Leasing Co. of New Orleans, 8 So. 3d 839 (La. Ct. App. 3d Cir. 2009).  
Utah—Li v. Enterprise Rent-A-Car Co. of Utah, 2006 UT 80, 150 P.3d 471 (Utah 2006).

4 Conn.—Farmers Texas County Mut. v. Hertz Corp., 282 Conn. 535, 923 A.2d 673 (2007).  
N.H.—Progressive Northern Ins. Co. v. Enterprise Rent-A-Car Co. of Boston, Inc., 149 N.H. 489, 821 A.2d 991 (2003).

5 Ala.—Munnerlyn v. Alabama Dept. of Corrections, 946 So. 2d 436 (Ala. 2006).  
Ill.—Pritza v. Village of Lansing, 405 Ill. App. 3d 634, 346 Ill. Dec. 560, 940 N.E.2d 1164 (1st Dist. 2010).  
N.M.—Romero v. Board of County Com'rs of County of Taos, 150 N.M. 59, 2011-NMCA-066, 257 P.3d 404 (Ct. App. 2011), cert. denied, 150 N.M. 666, 2011-NMCERT-005, 265 P.3d 717 (2011).

**Transit corporation or authority**  
A transit authority is not a "political subdivision" of the State, within the meaning of the section of the safety responsibility law exempting from its provisions motor vehicles owned by the State or any of its political subdivisions; thus, a transit authority's motor vehicle liability policy is subject to the provisions of that law.  
W. Va.—Dotts v. Taressa J.A., 182 W. Va. 586, 390 S.E.2d 568 (1990).